



FOR IMMEDIATE RELEASE

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MAYOR JERRY SANDERS FACT SHEET

MAYOR SANDERS ANNOUNCES SAN DIEGO'S SUCCESSFUL RETURN TO THE PUBLIC BOND MARKET

FIRST OFFERING SINCE 2003 ATTRACTS \$157 MILLION FROM INVESTORS

Delivering on his pledge to restore San Diego's credibility on Wall Street, Mayor Jerry Sanders today announced the completion of the city's Water Revenue Bond offering – the first public offering in more than five years.

The successful bond sale comes on the heels of the completion of the city's 2007 Comprehensive Annual Financial Report. In the past two years, the city has cleared the back-log of five annual audits that had blocked San Diego's access to the public markets.

The bond offering has two components:

- The first component totaled \$62.7 million, proceeds of which will be used to refund outstanding short-term private debt that matures at the end of this month.
- The second component totaled \$94.5 million. The proceeds of this series will be used to re-fund a portion of the outstanding 1998 Water Revenue Bonds to generate debt-service savings, which will help support capital improvements for San Diego's water system.

The refunding of the 1998 bonds has produced a savings of more than \$8.7 million, or 5.9 percent in net present value savings, which is well above the city's target of 3 percent. These savings will be realized over the next 12 years and free up funds that would otherwise have been used to pay interest to investors on the 1998 bonds.

The results of the bond pricing and sale clearly reflect the city's water system as a high-grade credit. The bonds got an excellent reception by retail and institutional investors. A majority of the maturities were oversubscribed, which further narrowed yield spreads.

The bonds are payable solely from revenues of the Water Utility Fund and are not secured by the city's general fund.

Serial bonds will mature from 2009 through 2018, and term Bonds will mature in 2023, 2028 and 2038. The bonds, which will be available in \$5,000 denominations, will be sold during the week of Jan. 12 with anticipated delivery the week of Jan. 26.

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